

AM3304  
LB 1085  
CAS-03-25

AM3304  
LB 1085  
CAS-03-25

AMENDMENTS TO LB 1085

(Amendments to FA945)

1           1.       Strike section 1 and all amendments thereto and  
2 insert the following new section:

3           "Section 1.       Section 77-2602, Revised Statutes  
4 Supplement, 2001, is amended to read:

5           77-2602.       (1) Every person engaged in distributing or  
6 selling cigarettes at wholesale in this state shall pay to the Tax  
7 Commissioner of this state a special privilege tax. This shall be  
8 in addition to all other taxes. It shall be paid prior to or at  
9 the time of the sale, gift, or delivery to the retail dealer in the  
10 several amounts as follows: On each package of cigarettes  
11 containing not more than twenty cigarettes, ~~thirty-four~~ sixty-four  
12 cents per package; and on packages containing more than twenty  
13 cigarettes, the same tax as provided on packages containing not  
14 more than twenty cigarettes for the first twenty cigarettes in each  
15 package and a tax of one-twentieth of the tax on the first twenty  
16 cigarettes on each cigarette in excess of twenty cigarettes in each  
17 package. Commencing July 1, 1994, and continuing until July 1,  
18 ~~2009~~ 2002, the State Treasurer shall place the equivalent of  
19 twenty-one cents of such tax less three million dollars each fiscal  
20 year of proceeds of such tax in the General Fund. Commencing July  
21 1, 2002, and continuing until July 1, 2004, the State Treasurer  
22 shall place the equivalent of twenty-eight cents of such tax in the  
23 Cash Reserve Fund and the equivalent of twenty-one cents of such

AM3304  
LB 1085  
CAS-03-25

AM3304  
LB 1085  
CAS-03-25

1 tax less three million dollars each fiscal year of proceeds of such  
2 tax in the General Fund. Commencing July 1, 2004, and continuing  
3 until July 1, 2009, the State Treasurer shall place the equivalent  
4 of twenty-one cents of such tax less three million dollars each  
5 fiscal year of proceeds of such tax in the General Fund.  
6 Commencing July 1, 2009, the State Treasurer shall place the  
7 equivalent of twenty-one cents of such tax in the General Fund.  
8 For purposes of this section, the equivalent of a specified number  
9 of cents of the tax shall mean that portion of the proceeds of the  
10 tax equal to the specified number divided by ~~thirty-four~~  
11 sixty-four. The State Treasurer shall distribute the remaining  
12 proceeds of such tax in the following order:

13 (a) First, beginning July 1, 1980, the State Treasurer  
14 shall place the equivalent of one cent of such tax in the Nebraska  
15 Outdoor Recreation Development Cash Fund. For fiscal year  
16 distributions occurring after FY1998-99, the distribution under  
17 this subdivision shall not be less than the amount distributed  
18 under this subdivision for FY1997-98. Any money needed to increase  
19 the amount distributed under this subdivision to the FY1997-98  
20 amount shall reduce the ~~twenty-one-cent~~ distribution to the General  
21 Fund;

22 (b) Second, beginning July 1, 1993, the State Treasurer  
23 shall place the equivalent of three cents of such tax in the  
24 Department of Health and Human Services Finance and Support Cash  
25 Fund to carry out sections 81-637 to 81-640. For fiscal year  
26 distributions occurring after FY1998-99, the distribution under  
27 this subdivision shall not be less than the amount distributed

AM3304  
LB 1085  
CAS-03-25

AM3304  
LB 1085  
CAS-03-25

1 under this subdivision for FY1997-98. Any money needed to increase  
2 the amount distributed under this subdivision to the FY1997-98  
3 amount shall reduce the ~~twenty-one-cent~~ distribution to the General  
4 Fund;

5 (c) Third, beginning July 1, 2001, and continuing until  
6 July 1, 2002, the State Treasurer shall place the equivalent of  
7 five cents of such tax in the Building Renewal Allocation Fund.  
8 Beginning July 1, 2002, and continuing until July 1, 2016, the  
9 State Treasurer shall place the equivalent of seven cents of such  
10 tax in the Building Renewal Allocation Fund. Beginning July 1,  
11 2016, and continuing until all the purposes of the Deferred  
12 Building Renewal Act have been fulfilled, the State Treasurer shall  
13 place the equivalent of five cents of such tax in the Building  
14 Renewal Allocation Fund. The Legislature shall appropriate each  
15 fiscal year all sums inuring to the fund, plus interest earnings  
16 for the Task Force for Building Renewal to be used to carry out its  
17 duties and to fulfill the purposes of the Deferred Building Renewal  
18 Act. Unexpended balances existing at the end of each fiscal year  
19 shall be, and are hereby, reappropriated. For fiscal year  
20 distributions occurring after FY1998-99, the distribution under  
21 this subdivision shall not be less than five-sevenths of the amount  
22 distributed under this subdivision for FY1997-98. Any money needed  
23 to increase the amount distributed under this subdivision to  
24 five-sevenths of the FY1997-98 amount shall reduce the  
25 ~~twenty-one-cent~~ distribution to the General Fund;

26 (d) Fourth, the State Treasurer shall place the  
27 difference between the equivalent of thirteen cents of such tax and

AM3304  
LB 1085  
CAS-03-25

AM3304  
LB 1085  
CAS-03-25

1 the sum of the amounts distributed pursuant to subdivisions (a)  
2 through (c) and (f) through (h) of this subsection in a special  
3 fund to be known as the Nebraska Capital Construction Fund;

4 (e) Fifth, beginning July 1, 1994, and continuing until  
5 July 1, 2009, the State Treasurer shall place in the Municipal  
6 Infrastructure Redevelopment Fund the sum of three million dollars  
7 each fiscal year to carry out the Municipal Infrastructure  
8 Redevelopment Fund Act. The Legislature shall appropriate the sum  
9 of three million dollars each year for fiscal year 1994-95 through  
10 fiscal year 2008-09;

11 (f) Sixth, beginning July 1, 2001, the State Treasurer  
12 shall place the equivalent of two cents of such tax in the  
13 Information Technology Infrastructure Fund;

14 (g) Seventh, beginning July 1, 2001, and continuing until  
15 June 30, 2016, the State Treasurer shall place one million dollars  
16 each fiscal year in the City of the Primary Class Development Fund.  
17 If necessary, the State Treasurer shall reduce the distribution of  
18 tax proceeds to the General Fund pursuant to this subsection by  
19 such amount required to fulfill the one million dollars to be  
20 distributed pursuant to this subdivision; ~~and~~

21 (h) Eighth, beginning July 1, 2001, and continuing until  
22 June 30, 2016, the State Treasurer shall place one million five  
23 hundred thousand dollars each fiscal year in the City of the  
24 Metropolitan Class Development Fund. If necessary, the State  
25 Treasurer shall reduce the distribution of tax proceeds to the  
26 General Fund pursuant to this subsection by such amount required to  
27 fulfill the one million five hundred thousand dollars to be

AM3304  
LB 1085  
CAS-03-25

AM3304  
LB 1085  
CAS-03-25

1 distributed pursuant to this subdivision; and

2           (i) Ninth, beginning July 1, 2004, and continuing until  
3 June 30, 2016, the State Treasurer shall place the equivalent of  
4 twenty-eight cents of such tax each fiscal year in the Nebraska  
5 Health Care Cash Fund. Beginning July 1, 2016, the State Treasurer  
6 shall place the equivalent of thirty cents of such tax each fiscal  
7 year in the Nebraska Health Care Cash Fund.

8           (2) The Legislature hereby finds and determines that the  
9 projects funded from the Municipal Infrastructure Redevelopment  
10 Fund and the Building Renewal Allocation Fund are of critical  
11 importance to the State of Nebraska. It is the intent of the  
12 Legislature that the allocations and appropriations made by the  
13 Legislature to such funds or, in the case of allocations for the  
14 Municipal Infrastructure Redevelopment Fund, to the particular  
15 municipality's account not be reduced until all contracts and  
16 securities relating to the construction and financing of the  
17 projects or portions of the projects funded from such funds or  
18 accounts of such funds are completed or paid or, in the case of the  
19 Municipal Infrastructure Redevelopment Fund, the earlier of such  
20 date or July 1, 2009, and that until such time any reductions in  
21 the cigarette tax rate made by the Legislature shall be  
22 simultaneously accompanied by equivalent reductions in the amount  
23 dedicated to the General Fund from cigarette tax revenue. Any  
24 provision made by the Legislature for distribution of the proceeds  
25 of the cigarette tax for projects or programs other than those to  
26 (a) the General Fund, (b) the Nebraska Outdoor Recreation  
27 Development Cash Fund, (c) the Department of Health and Human

AM3304  
LB 1085  
CAS-03-25

AM3304  
LB 1085  
CAS-03-25

1 Services Finance and Support Cash Fund, (d) the Municipal  
2 Infrastructure Redevelopment Fund, (e) the Building Renewal  
3 Allocation Fund, (f) the Information Technology Infrastructure  
4 Fund, (g) the City of the Primary Class Development Fund, ~~and~~ (h)  
5 the City of the Metropolitan Class Development Fund, and (i) the  
6 Nebraska Health Care Cash Fund shall not be made a higher priority  
7 than or an equal priority to any of the programs or projects  
8 specified in subdivisions (a) through ~~(h)~~ (i) of this subsection."  
9           2.     Renumber the remaining sections accordingly and  
10 correct the operative date section and the repealer so that the  
11 section added by this amendment becomes operative on July 1, 2002.